

Message Text

CONFIDENTIAL

PAGE 01 LUSAKA 00439 170746Z
ACTION AID-31

INFO OCT-01 AF-08 ISO-00 AGRE-00 SS-15 NSC-05 L-03 IGA-02
CIAE-00 COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06
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FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC 5020
INFO AMEMBASSY DAR ES SALAAM
AMEMBASSY NAIROBI

C O N F I D E N T I A L LUSAKA 0439

NAIROBI FOR REDSO

E.O. 11652: GDS
TAGS: EAID ZA
SUBJ: GRZ GEARS UP TO REQUEST FURTHER US AID

SUMMARY: GRZ OFFICIAL ASKS US TO CONSIDER FURTHER ASSISTANCE
ALONG WITH OTHER WESTERN NATIONS AS A RESULT OF ITS CONCERN
OVER DIFFICULTIES IN SURROUNDING COUNTRIES. WE SUGGESTED THAT
IT REVIEW ITS NEEDS AND COME BACK WITH A SPECIFIC REQUEST IN THE
AREA OF PROGRAM OR SECTOR ASSISTANCE. END SUMMARY.

1. PERMANENT SECRETARY DAVID SIMONDA, MINISTRY OF ECONOMIC AND
TECHNICAL ASSISTANCE, ASKED ME AND ECONOMIC OFFICER TO COME BY
TO DISCUSS AID. SIMONDA SAID HE HAD HAD A LENGTHY DISCUSSION
WITH THE PRESIDENT ON THE SUBJECT AND HAD BEEN ASKED TO MAKE
A PRESENTATION TO THE "BIG POWERS"--THE US, UK, FRG AND JAPAN.
HE SAID THE PRESIDENT WAS CONCERNED AT THE UNSTABLE CONDITIONS
ALL AROUND ZAMBIA. THE KENYA-TANZANIA DISPUTE TROUBLED HIM.
THE GRZ WOULD TRY TO KEEP OUT OF IT BUT MIGHT NOT SUCCEED.
NYERERE WAS A "NICE FELLOW" BUT THE SITUATION THERE WAS NOT GOOD
AND THE INSTABILITY OF ANGOLA, MOZAMBIQUE AND EVEN BOTSWANA WAS
WELL KNOWN. POLITICAL CHANGE COULD OCCUR VERY QUICKLY IN ANY OF
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PAGE 02 LUSAKA 00439 170746Z

THESE COUNTRIES. TANZANIA BOTHERED ZAMBIA MOST. THE GRZ IS
COMPLETELY DEPENDENT ON THE RAILWAY AND ACCESS TO THE SEA
THROUGH DAR. TANZANIA WAS GOING TO HAVE TO MAKE UP FOR THE
SUBSIDY ASSISTANCE IT HAD BEEN GETTING FROM KENYA THROUGH THE
EAST AFRICAN COMMUNITY FROM SOMEPLACE. ZAMBIA WAS SO VULNERABLE
IT COULD NOT RESIST PRESSURE FROM TANZANIA. FOR ALL THESE
REASONS THE GRZ FELT IT MUST STRENGTHEN ITS OWN ECONOMIC

POSITION. THE PRESIDENT HAD THEREFORE REQUESTED SIMONDA TO ASK EACH OF THE GOVERNMENTS TO EXAMINE WHAT FURTHER IT COULD DO TO HELP ZAMBIA THIS YEAR.

2. I NOTED THAT WE WERE PLEASED WITH THE PROGRESS THAT WAS BEING MADE IN USING THE FUNDS CONTAINED IN THE \$20 MILLION PROGRAM LOAN SIGNED IN EARLY DECEMBER. THE PL 480 PROGRAM HAD A SMALL HITCH WHICH SIMONDA SAID WOULD QUICKLY BE STRAIGHTENED OUT. THESE TWO PROGRAMS PLUS A POSSIBLE PARTICIPANT TRAINING PROJECT TOGETHER CONSTITUTE A COHERENT AND SENSIBLE PROGRAM. WE WERE ALWAYS WILLING TO CONSIDER A PROJECT IF ZAMBIA HAD SOMETHING PARTICULAR IN MIND WHICH IT THOUGHT WE WERE ESPECIALLY SUITED TO OFFER. I SAID THAT I BELIEVED THE MOOD IN WASHINGTON WAS A SYMPATHETIC ONE FOR CONSIDERATION OF FURTHER ASSISTANCE IF THE GRZ COULD SPECIFY MORE PARTICULARLY ITS NEEDS. THE US RECOGNIZES THE HARDSHIP AND SACRIFICES TO WHICH ZAMBIA IS SUBJECTED AS A RESULT OF ITS KEY ROLE IN SEEKING A SOLUTION TO THE PROBLEMS OF SOUTHERN AFRICA. I SUGGESTED THAT THE GRZ REVIEW ITS NEEDS AGAIN AND COME BACK TO US WITH A MORE SPECIFIC PROPOSAL, PERHAPS IN THE PROGRAM OR SECTOR LOAN AREAS. SIMONDA ACKNOWLEDGED THE ASSISTANCE ALREADY BEING RENDERED AND AGREED THAT IT SEEMED TO BE THE MOST HELPFUL MIX WHICH CORRESPONDED TO ZAMBIA'S NEEDS. HE DID NOT THINK WE WANTED TO GET INTO PROJECT ASSISTANCE AT THIS TIME. HE READILY AGREED WITH THE IDEA OF COMING BACK TO US WITH A MORE SPECIFIC PROPOSAL AFTER THE MATTER HAD BEEN FULLY STUDIED AND PUT TO THE PRESIDENT AGAIN, AND APPEARED WELL SATISFIED WITH THE MEETING. IN AN ASIDE AT ONE POINT, HE VOLUNTEERED THE DIFFICULTIES WHICH ZAMBIA HAS ALWAYS HAD IN DEALING WITH COMMUNIST COUNTRIES FOR ECONOMIC

CONFIDENTIAL

PAGE 03 LUSAKA 00439 170746Z

ASSISTANCE WITH THE EXCEPTION OF THE CHINESE-BUILT RAILROAD.

3. COMMENT: SIMONDA ACTED VERY MUCH AS THE PRESIDENT'S PERSONAL AGENT IN THIS MATTER. HE IS A DYNAMIC AND COMPETENT OFFICIAL WHO THINKS OF HIMSELF AS PARTICULARLY CLOSE TO KAUNDA. CERTAINLY IN THIS INSTANCE HE ACTED MORE LIKE THE MINISTER CHARGED WITH COORDINATING FOREIGN ASSISTANCE THAN AN OFFICIAL RESPONSIBLE TO THE MINISTER OF STATE (LILY MONZE) WHO IN TURN IS RESPONSIBLE TO THE PRIME MINISTER FOR THIS SUBJECT. WE WERE ALSO STRUCK BY THE THINKING BEHIND THE PRESENTATION WHICH MIGHT LEAD ZAMBIA INTO SOME KIND OF ECONOMIC RELATIONSHIP WITH TANZANIA REPLACING THE EAST AFRICAN COMMUNITY. AT FIRST GLANCE SUCH AN ARRANGEMENT WOULD APPEAR TO MAKE LITTLE ECONOMIC SENSE FOR ZAMBIA AND IT WOULD CERTAINLY BE STRONGLY OPPOSED BY THE POWERFUL ECONOMIC ENTREPRENEUR GROUP IN ZAMBIA. NEITHER RASON HOWEVER HAS IN THE PAST DISCOURAGED PRES KAUNDA FROM SUCH A VENTURE IF HE BELIEVED IN IT.

4. WE EXPECT WE WILL HEAR AGAIN FROM THE GRZ IN THE NEXT FEW

WEEKS AFTER SIMONDA'S FULLY REPORT TO THE PRESIDENT IS COMPLETED.
IT SEEMS LIKELY THEY WILL COME BACK WITH A REQUEST WHICH COULD
BE SATISFIED BY A MODEST SECTOR OR PROGRAM LOAN. LOW

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